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Message Text

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44
ACTION OPIC-06

INFO OCT-01 ARA-06 ISO-00 EB-07 AID-05 L-02 COME-00 TRSE-00

SS-15 NSC-05 SSO-00 NSCE-00 SP-02 INR-07 INRE-00

OMB-01 CEA-01 CIEP-01 H-01 /060 W
---------- 073022
O 171830Z JAN 75
FM AMEMBASSY GEORGETOWN
TO SECSTATE WASHDC IMMEDIATE 777

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E.O. 11652: N/A
TAGS: EINV, GY
SQGJECT: REYNOLDS NATIONALIZATION AGREEMENT

REF: (A) STATE 007824; (B) STATE 010039

1. I HAD ALREADY DISCUSSED PROGRESS ON CLOSING ARRANGEMENTS WITH WAGNER ON JAN14. HE SAID THINGS WERE GENERALLY GOING SMOOTHLY, BUT CITED PROBLEM OF ACCESS TO COMPANY RECORDS IN ORDER TO COMPILE FINAL LIST OF PURCHASE COMMITMENTS. ACCORDINGLY, DCM MENTIONED THIS ASPECT TO SHAHABUDDEEN WHEN CONVEYING SENSE REFTEL A. SHAHABUDDEEN SAID HE WOULS SEE WHAT COULD BE DONE TO EXPEDITE MATTER, BUT REITERATED DOUBT SETTLEMENT POSSIBLE JAN 17 (GEORGETOWN 0048).

2. IN LIGHT OF FOREGOING I SPOKE TO MINISTER JACK BY PHONE MORNING JAN 15. I SAID OPIC NEEDED TO KNOW WHEN GOG WOULD BE PREPARED FOR CLOSING SO AS TO ARRANGE FOR OPIC REPRESENTATIVE TO BE IN GEORGETOWN. I ADDED I UNDERSTOOD FROM WAGNER THAT THERE WERE PROBLEMS CONNECTED WITH COMPILING LIST OF PURCHASE COMMITMENTS, SINCE ALL RECORDS ARE NOW IN PHYSICAL CONTROL OF BERBICE MINING ENTERPRISE (BERMINES) AND REYNOLDS REPRESENTATIVES WHO CAME TO GUYANA LAST WEEK TO ASSIST IN DEVELOPING LIST WERE NOT BEING ACCORDED ACCESS TO THESE RECORDS. JACK SAID HE WOULD LOOK INTO THIS LATTER QUESTION AT ONCE, BUT HE CONFIRMED SHAHABUDDEEN'S EARLIER INDICTION THAT CLOSING NOT FEASIBLE BY JAN 17. I ASKED
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IF HE COULD CHECK WITH BERMINES PEOPLE (AND OTHER INVOLVED) AND

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GIVE ME A FIRM DATE FOR CLOSING. HE AGREED TO GIVE ME A CALL THAT AFTERNOON.

3. LATE AFTERNOON JAN 15 MINMINES PERMSEC BARKER CALLED ON BEHALF OF JACK TO REPORT THAT IT HAD NOT BEENPOSSIBLE TO CONTACT BERMINES MANAGER BECAUSE LATTER WAS MOVING BACK AND FORTH ALL DAY BETWEEN KWAKWANI AND EVERTON. BARKER SAID BEST ESTIMATE HECOULD OFFER FOR CLOSING DATE AT THAT JUNCTURE WAS JAN 31. I SAID OPIC WAS HOPEFUL IT COULD BE DONE EARLIER AND ASKED HIM TO CHECK THIS POSSIBILITY WITH KEY PEOPLE CONCERNED AND LET ME KNOW JAN 16.

4. MORNING JAN 16 BARKER STATED THERE WERE STILL SOME UNRESOLVED QUESTIONS REGARDING PURCHASE COMMITMENTS, AS WELL AS INCOMPLETED ACTIONS BY REYNOLDS ON DEPOSITS OF FUNDS (UNSPECIFIED). HE REITERATED THERE SEEMED LITTLE LIKELIHOOD OF CLOSING BEFORE JAN 31 BUT SAID HE WAS STILL AWAITING WORD FROM BERMINES ON FEASIBILITY OF EARLIER DATE.

5. ON RECEIPT REFTEL B I GOT IN TOUCH WITH WAGNER AFTERNOON JAN 16. HE SAID BERMINES UNDERSTANDABLY HAVING DIFFICULTYRECONCILING STATUS OF PURCHASE COMMITMENTS, SINCE THIS INVOLVED DELIVERIES (COMPLETE ANDPARTIAL) MADE UP TO DEC 31, PAYMENTS MADE IN SOME CASES IN ADVANCE OF FULL DELIVERY, RE-CHECK OF DELIVERY RECORDS, ETC. HE NOTED THAT WITH ALL TOP PERSONNEL NEW TO JOB THEY NEEDED TIME TO LOCATE AND INTERPRET RECORDS AND TACT IN DEALING WITH SUBORDINATE PERSONNEL WHO HAVE DETAILED KNOWLEDGE. HEFEELS THAT SO FAR HE HAS RECEIVED ABOUT AS MUCH COOPERATION AS COULD BE EXPECTED IN LIGHT OF OTHER PROBLEMS CONFRONTIN NEW MANAGEMENT. HE DOES NOT RULE OUT POSSIBILITY THAT GOG MAY RAISE SOME SUBSTANTIAL ISSUE(S) REGARDING PURCHASE COMMITMENTS, BUT THE ATTITUDES HE HAS ENCOUNTERED IN DEALING WITH THIS MATTER, AS WELL AS ON TRANSFERS OF FUNDS RELATED TO PENSION ACCOUNT, DO NOT LEAD HIM TO BELIEVE THERE WILL BE ANY MAJOR HITCH.

6. I SPOKE AGAIN TO WAGNER MORNING JAN 17. HE SAID BERMINES PEOPLE CALLED HIS REPRESENTATIVE IN EVERTON LAST NIGHT TO APOLOGIZE FOR DELAY IN SUBMITTING FINAL LIST OF PURCHASES WHICH BERMINES WILL ACCEPT, AND PROMISED TO DELIVER LIST TODAY.

7. ON BALANCE I DO NOT BELIEVE WE SHOULD PRESS CLOSING DATE ISSUE
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ON GOG ANY FURTHER AT THIS STAGE. IF WE HAVE NOT HAD FURTHER WORD FROM JACK BY COB JAN 20, I PROPOSE TO CALL HIM THAT EVENING OR EARLY JAN 21 TO INSIST ON FIXING DATE. TIMING OF CALL IS DESIGNED TO GET TO HIM BEFORE CABINET MEETING 1000 JAN 21.
KREBS

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NNN

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